

Message Text

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ACTION SCSE-00

INFO OCT-01 ARA-10 ISO-00 TRSE-00 SCA-01 L-03 H-02 /017 W

----- 020668

R 111414Z JUL 75

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC 6928

INFO AMEMBASSY MEXICO

UNCLAS NASSAU 1118

E.O. 11652: N/A

TAGS: CPRS, PFOR

SUBJ: FOREIGN BANK ACCOUNTS OF U.S. CITIZENS

ATTENTION IRS

1. THE EMBASSY HAS RECEIVED APPROXIMATELY FIFTY LETTERS FROM U.S. CITIZENS REQUESTING ASSISTANCE CONCERNING ACCOUNTS MAINTAINED IN BANKS LOCATED IN THE BAHAMAS INVOLVED IN LIQUIDATION PROCEEDINGS. THE EMBASSY HAS BEEN UNABLE TO OFFER MUCH ASSISTANCE REGARDING THESE REQUESTS OTHER THAN TO DIRECT THE INQUIRY TO THE LIQUIDATOR OF THE PARTICULAR BANK INVOLVED, AND ADVISE THE PERSON TO DEAL DIRECTLY WITH THE LIQUIDATOR.

2. MR. GEORGE S. BARNARD, INTERNAL REVENUE REPRESENTATIVE ATTACHED TO THE EMBASSY AT MEXICO WITH REGIONAL JURISDICTION OF THE BAHAMAS FOR HIS AGENCY, HAS REQUESTED INFORMATION FROM CONSULAR FILES PERTAINING TO THE BANK DEPOSITS OF THE DESCRIBED U.S. CITIZENS. SUCH INFORMATION IS NOT AVAILABLE TO MR. BARNARD THROUGH OFFICIAL BAHAMIAN OR BANK SOURCES BECAUSE OF BANKING SECRECY LAWS.

3. TWO QUESTIONS PRESENT THEMSELVES IN RESPONDING TO IRS REQUESTS FOR FILES:

(A) CAN U.S. CITIZENS WHO WROTE TO THE EMBASSY FOR ASSISTANCE TAKE LEGITIMATE UMBRAGE AT HAVING THEIR COMMUNICATIONS TURNED OVER TO IRS?

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KB) CAN THE GCOB TAKE ISSUE WITH THE RELEASE OF BANKING INFORMATION BY THE USG TO THE IRS WHICH WOULD NOT, UNDER BAHAMIAN LAWS, BE AVAILABLE FROM THE BANKS OR THE GOVERNMENT?

ON FORMER QUESTION, WE BELIEVE THAT PROVISION BY U.S. CITIZENS OF INFORMATION TO THE USG IN THE PERSON OF THE EMBASSY PRE-SUPPOSED THE AVAILABILITY TO OTHER PARTS OF THE GOVERNMENT, INCLUDING IRS. ON THE LATTER, ANY COMPLAINT EITHER BY AMERICAN INVESTORS TO THE GCOB OR BY THE GCOB TO THE USG COULD BE MET BY POINTING OUT INFORMATION WAS MADE AVAILABLE TO USG VOLUNTARILY BY INVESTORS AND THEREFORE BREACHED NO GCOB LAWS.

WE FRANKLY HAVE NO EXPERIENCE TO DRAW UPON SINCE THIS IS FIRST TIME ISSUE OF THIS SORT HAS PRESENTED ITSELF. ACCORDINGLY, OPINION OF DEPARTMENT REQUESTED REGARDING TWO ISSUES CITED ABOVE, OR OTHERS WHICH DEPARTMENT MAY SEE.

4. IF THE DEPARTMENT WISHES TO CONTACT IRS IN WASHINGTON, PLEASE CALL MR. PETER KEENAN, 964-5004, IRS OFFICE OF INTERNATIONAL OPERATIONS, WHO IS FAMILIAR WITH SUCH PROCEDURES.

5. WE WOULD APPRECIATE AN EARLY REPLY.
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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NASSAU01118
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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Margaret P. Grafeld
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